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General Critique of the Support Offices'
Program Submissions in Answer to the
Program Call FY 1973 - FY 1977

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SPECIAL STUDY FOR: Deputy Director for Support

SUBJECT : General Critique of the Support Offices' Program Submissions
in Answer to the Program Call FY 1973-FY 1977

REFERENCES : (a) Support Offices' Program Submissions--FY 1973-1977
(b) Program Call FY 1973-1977 from O/PPB dated October 1970
(c) Memo from DD/S to Support Office Heads; Subject: Support
Directorate Preliminary Program Review, FY 1973-1977,
dated 9 Nov 70 (DD/S:70-4462)

I. General Comment

In general, the Support Offices' Program Submissions for FY 1973-1977 in answer to the Program Call for FY 1973-1977 from O/PPB dated October 1970 do not answer the Program Call for FY 1973-1977.

The Support Offices' Program Submissions fail on two primary fronts. First, the submissions do not contain rigorous program evaluation, not even in the programs that eat away most at the DD/S resource allocation. Second, the submissions fail to provide the DD/S with information in a systematic way that is decision oriented, that could make the DD/S's resource allocation decisions come a little easier.

II. Assumptions

A. A critique of the Support Offices' Program Submissions FY 1973-1977 in answer to the Program Call FY 1973-1977 might be of some value to the DDS management.

B. A critique is intended to be critical. The criticism is given knowing fully that the concept of a program budget is difficult to put into action. This analysis will do its job if it annoys people, but striving to annoy in the right way and for the right reasons.

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C. The critique in no way is trying to tell DDS managers how to manage the Directorate of Support. It only tries to offer information to the DDS management.

D. No specific recommendations have been requested. Any recommendations following from this critique are to be made by the DDS management.

III. Conclusions of the Critique

A more in depth discussion of these conclusions is contained in Appendix II.

A. In general, there is no indication that Offices have reviewed and evaluated their existing objectives.

B. The specific objectives for each existing program plan and new objectives for new proposals for the period FY 1973-1977, in general, were not stated.

C. In many instances, statements purporting to be objectives were mere statements of tasks to be done in the accomplishment of some unstated objective.

D. In general, there were no identifications of objectives totally accomplished. Tasks had been completed, but there was a lack of reported objectives that cease to exist because the objectives have been met.

E. In general, there is little definition of program objectives in terms of:

1. What the program is really trying to accomplish.
2. How the planned program accomplishments fit in with other Support Offices and other Directorates.
3. Who the program aims to reach--the target group (s).

F. There is a general lack of analysis concerning tasks, activities, projects, or programs which can be decreased or terminated. The result is that practically no existing tasks, activities, projects, or programs were projected to decrease or terminate. In short, no marginal analysis.

G. There is no sense of the real priorities stated in the Offices' Program Submissions. Which existing programs are vital and which new programs are vital to enable the Agency to meet its objectives.

H. There is a conspicuous absence of the mention of failure throughout the Program Submissions.

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I. The subject, Method of Approach, is often ignored in the Office Program Submissions. It is hard to identify a method of approach to accomplishing objectives when the objectives were never stated.

J. The very building blocks to decision making, alternative ways to achieve an objective, are hardly mentioned.

K. There is no indication in the Program Submissions as to what risks and uncertainties really are. This has resulted in a general neglect toward reporting risks and uncertainties and their interaction between the expectation (benefits) of success and the consequences (costs) of failure with regard to existing and new programs.

L. There is considerable evidence in the Program Submissions of failure to coordinate and jointly plan program activities, to work toward achievement of common objectives, and just plain talk to each other between the Support Offices. Nowhere is this problem more noticeable than in the proliferation of "ADP systems" in spite of SIPS.

M. Rigorous program evaluation is not evident throughout the Program Submissions. Program evaluation tries to ascertain in a measurable way whether programs are achieving their objectives and whether there exist more worthwhile objectives which should be considered in lieu of dedicating scarce resources to existing objectives.

For each Office it must be made possible to select those programs which consume the greatest amount of money and people and subject them to critical program evaluation.

The constant outpouring of workload and caseload data does not provide a critical and analytical evaluation of a program's achievement of program objectives. It is quite possible for an Office to be very busy and continue operating wrong programs very efficiently.

There is a striking tendency in the evaluation (review, progress) of programs to let professional biases creep in.

A critical program evaluation should turn up those things which result in favoring programs which are either professionally interesting or professionally exacting, but yet are programs which are not vital to achieving Agency objectives and which yield few benefits to any clientele group.

N. In general, there is little evidence in the Office Program Submissions as to what the program costs are. Costs are only seen in light of alternative uses of

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resources. The real program costs are the benefits a given set of resources could have provided given the use of those resources in pursuit of existing or new program objectives by other alternative means.

O. In general, the Support Offices heeded the Program Call in naming the men and dollar resources they required in the years FY 1973-1977. These resource requirements were requested without the analysis called for in the above conclusions.

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APPENDIX I

Statements Used As Criteria For The Critique

- A. "... continue to try to identify projects, activities, or positions which may be decreased or eliminated to provide resources for new high priority needs." (Memo from DD/S to Support Office Heads)
- B. "It elicits from you a Program Submission which reflects a consideration of your objectives. . ." (Program Call FY 1973-1977)
- C. "It will clearly be a period where we must rigorously assess objectives and priorities and pursue only those programs which enable the Agency to meet its obligations in the most effective fashion." (Program Call FY 1973-1977)
- D. "The Agency . . . just as it must continue to evaluate the need for and productivity of programs already underway. Of course our planning must take into account the possibility that some activity may have to be reduced or eliminated to support new and expanding programs which are proposed." (Program Call FY 1973-1977)
- E. "... you describe the essential features of all on-going and proposed programs." (Program Call FY 1973-1977)
- F. "... to review the progress that has been made toward current objectives, identify objectives for the FY 1973-77 period, and describe program plans and resources required to achieve these objectives." (Program Call FY 1973-1977)
- G. "Where Directorate plans call for significant increases in funds and manpower for new or existing programs, consideration should be given the programs which may be reduced or eliminated. . ." (Program Call FY 1973-1977)
- H. "Each respondent will prepare . . . statements of progress and accomplishments against current objectives . . . These statements . . . should constitute an evaluation of the program." (Program Call FY 1973-1977)
- I. "Areas where little or no progress has been made should be discussed." (Program Call FY 1973-1977)
- J. "The specific objective for each program plan and proposal for the period FY 1973-1977, or beyond, should be identified." (Program Call FY 1973-1977)

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K. "Method of Approach. Describe the rationale behind your approach--how you plan to reach the objective cited. Identify, in relation to the objective, what will be done and how it will be accomplished. . . . milestones forseen . . . Give some indication of the size of the effort . . . to permit an evaluation of the reasonableness of the resources requested." (Program Call FY 1973-1977)

L. "Alternatives Considered . . . different methods or approaches may be available to achieve an objective; they should be identified and the reasons given for rejecting them. Alternatives considered must be specifically identified, and reasons given for selecting the favored alternative." (Program Call FY 1973-1977)

M. "Risks and Uncertainties . . . the Program Submission should present an assessment of the expectation of success and the consequence of failure . . . assess the risks . . . of undertaking the program, of failure of the program to accomplish its objective, and of not undertaking the program at all." (Program Call FY 1973-1977)

N. "Coordination and Joint Planning. The Director must be assured that due consideration is being given to the coordination and joint planning of programs with other Directorates and other agencies." (Program Call FY 1973-1977)

O. The Director's memo concerning Budgetary Constraints and Personnel Ceilings dated 23 July 1971.

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APPENDIX II

Discussion of Conclusions

The qualifying term, in general, is used in many of the conclusions because there are exceptions to the conclusions. The Support Offices, in their Program Submissions, made attempts at and did succeed in answering parts of the Program Call FY 1973-1977.

It may be a fact of life, but there is no justice in requiring the DD/S to make resource allocation decisions based on so little information; especially information in the following key areas:

- A. Examination of objectives.
- B. Statement of objectives.
- C. Evaluation of Programs to measure the outputs of those Programs as achievements of the Program objectives.
- D. Identification of existing alternatives and searching imaginatively and critically for new alternatives to achieve Program objectives.
- E. Identification of marginal or obsolete Programs which can be decreased or terminated to free resources for existing and new priority Programs.
- F. Provide estimates of total cost of each alternative. Provide estimate of benefits of each alternative.
- G. Provide a comparison and analysis of the alternative ways of achieving Program objectives -- so as to select the best one or mix of alternatives to achieve Program objectives.

The Support Offices' Program Submissions should be providing a basic working tool for the DD/S to make decisions as to scarce resource allocation.

The Program Call FY 1973-1977 is specific in the information it requires; witness the statements from it used as criteria in this critique (Appendix I). Between the information requested in the Program Call, as an ideal, and the actuality of the Program Submissions, there is much improvement needed and work to be done.

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The analytical shortcomings of the Support Offices' Program Submissions as reflected in the conclusions of this critique may offer some insight into the disparity between the Director's memo regarding Budgetary Constraints and Personnel Ceilings and the [REDACTED] new positions [REDACTED] asked for as new resource allocations to the Support Directorate for FY 1973.

Conclusions A through E

It is critical for a decision maker to know what are the objectives of the programs about which he has to make resource allocation decisions.

By definition, we live in a linear (through time) evolving (changing) world. In a linear evolving world, it becomes axiomatic that objectives change over time. The changes are due to refinements and amendments in the course of the decision making process. Priorities are altered, hopefully objectives are met and they cease being objectives, programs become marginal on the down side, and new objectives are imaginatively created.

What is stated, in general, in the Program Submissions is that objectives do not change from FY 1972 objectives, and no foreseeable change is forecast for a five year period. Remarkable! Is the Support Directorate gradually becoming petrified? Have the Program Submissions year after year stated that objectives haven't changed from the previous year?

Before final resource allocation decisions can be made, the decision maker must be able to assess the relative importance of the various program objectives confronting him. How can a decision maker "comfortably" make decisions when there has been no rigorous assessment, review or evaluation of the objectives of the programs among which he has to allocate scarce resources. There is work to be done. First, getting the Support Offices to creatively and critically review their objectives. Second, to begin to state objectives under the objectives portion of the Program Submission instead of nothing or functions and tasks to be performed listed in place of real objectives.

Conclusions F through H

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In a memo to the Director, O/PPB, concerning the Support Directorate Program FY 1973-1977 dated 10 May 71, the Support Directorate asks for [REDACTED] new positions [REDACTED]. The plus [REDACTED] for FY 1973 represents a [REDACTED] percent dollar

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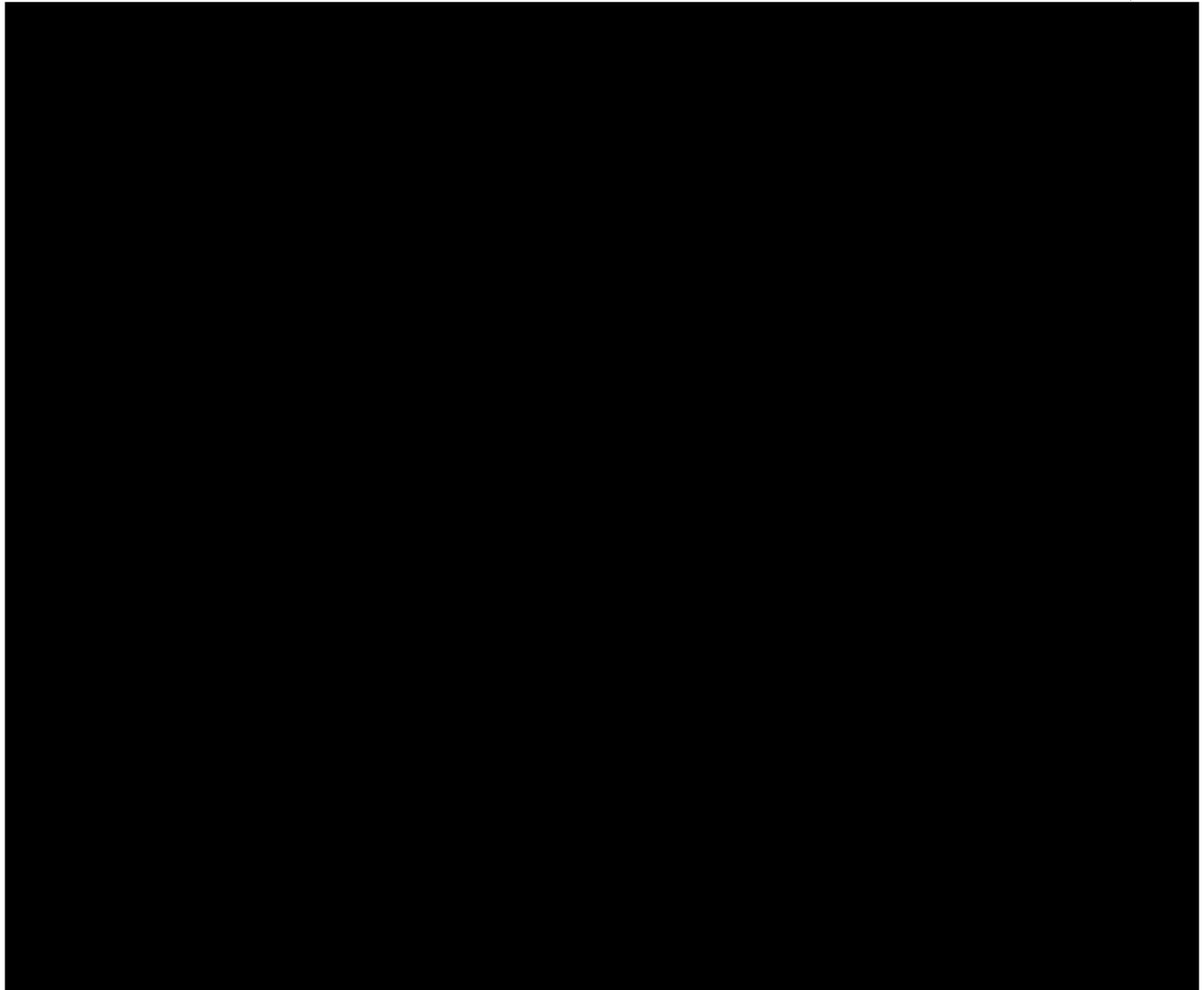
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Action in the areas mentioned in the conclusions outside of conclusions F through H could lead to:

- A. Identification of programs or subprograms that can be called nothing else but failures in a world of scarce resources and unlimited ends. Close the failures down. It is a hard decision. In bureaucracies, units at all levels are concerned with their immediate existence--that their programs go on and on once begun. It is a hard choice to name failures, the tendency is too strong to maintain morale by paying off all parties. Resource allocation decisions are ultimately painful and many claimants are surely disappointed.

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- B. Establishment of priorities by the Support Offices--ultimately by the Deputy Director for Support. The failure to present "absolute" priorities is in part due to the absence of program evaluation by the Offices, failure to creatively and critically review existing and create new objectives, the failure to cost new alternatives constantly to find better and better ways to achieve existing objectives, and to exhaust the production of alternatives in new program proposals to find the least cost means of achieving program objectives.
- C. Answering the Program Call by decreasing or terminating activities, tasks, functions, projects, and programs.

Under budgetary pressure (arbitrary or not), it is truly remarkable how many options, programs, projects, tasks, activities, and functions one discovers one can do without. Yet, the Agency can still achieve its objectives with the same or fewer resources.

Analogy: A draftee comes to basic after years of hamburgers, french fries, beers, and lots of pie a la mode. He is fat in the ass and belly. After a review of his physical shape, he is put through a systematic program of eating (diet), exercise, work, and rest. His being doesn't change, but the look of him does--his ability (physical) changes--he is stronger--he might stay alive if the situation called for strength, quickness, speed. His weight may stay the same, but it is muscle not fat.

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A review of the Support Offices' Program Submissions suggest (the [redacted] percent dollar increase plus [redacted] new people) that our organizational ass and belly are getting a little too fat. Through a systematic program of review of objectives, creative development of new objectives, careful analysis of alternative ways to achieve existing and new objectives, continual program evaluation, and an establishment and review of priorities, this Directorate can begin to pare away the fat. Shift our limited resources into the muscle priority support programs absolutely needed to enable this Agency to collect and produce national intelligence and carry out its additional duties.

Pare away at the margin. Some programs under analysis will show that you can pare away marginally till there is no program. Yet, Agency objectives are still met. Decisions regarding the appropriate level of resource allocation are focused at the margin. There is a general lack of marginal analysis or sensitivity testing of programs within the Support Offices in order to begin to pare away at programs in need of decrease of resources or termination of resource allocation.

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Danger: So called "free support services" -- resources improperly priced below the market value will be inefficiently utilized. The problem of dollar increases for the DDS can't be fully helped without a pare down of programs in the other Directorates.

In the national intelligence production equation, support is a purchased intermediate product and not an output per se. Support is not directly consumed by the customer. Yet, support contributes to the cost of the final output (product).

Conclusions I and J

The Method of Approach in achieving program objectives is going to rest heavily on the choice of an alternative or mix of alternatives as the way a program's objectives are to be met.

In conclusion J it says that alternative ways (means) to achieve a given objective (end) are the building blocks of decision making regarding resource allocation.

Why alternatives?

- A. Thorough analysis (exhaustive) of alternative ways to achieve an objective can bring out the long-run cost implications of having the objective and the program to achieve the objective.
- B. Analysis of alternatives allows the identification of irrelevant from relevant ways to achieve an objective.
- C. A comparison and analysis of alternatives allows a decision maker to select that combination of alternatives that promises greatest effectiveness, for a given set of resources, in achieving the objectives the decision maker has chosen.
- D. A comparison of alternatives requires a comparison of not only existing alternatives, but the invention of new alternatives.
- E. A planning document (the Program Submission) that does not present and compare alternative ways of achieving the program objectives (to the decision maker) is a document that merely tries to make a case for a predetermined position.

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- F. Alternative ways of allocating resources is a necessity. Else, particular programs become ends (versus means) in themselves--to be perpetuated without challenge or question.
- G. Consideration and analysis of new alternative uses of existing and new resources can exempt a decision maker from foreclosing his future options by his current decisions. He doesn't know the alternative potential uses of his resources.
- H. Alternatives give a decision maker an estimate of cost. Costs are benefits forgone (more later). If a decision maker doesn't know (isn't presented with) alternative ways to allocate resources within a program or among programs, he doesn't know what benefits the Agency might have gotten from those resources--that's a real cost to the Agency. How more efficiently objectives can be achieved and rated in priority if exhaustive alternatives are presented. The more alternatives known--the more benefits a decision maker knows his package of scarce resources can purchase to achieve Agency objectives.
- I. Analysis of alternatives aid in identifying constraints, show the way to minimize external pressures, present clearer what management-administrative techniques can be employed in achieving an objective through different means, and possibly which political strategy is needed in each case to get legislatures to accept your final solution to achieving an objective or objectives.

More on alternatives under the discussion of conclusion N (costs).

Conclusion K

Under risks and uncertainties, it would seem that identification of external political risks and uncertainties and their effect on achievement of Support's program objectives world-wide could come from our companion Directorates. They are charged with knowing the risk and/or uncertainty curves present in foreign areas and outer space.

The Support Offices should know what the external political risks and uncertainties are affecting their programs. Also, the Support Offices must add to the external political risks and uncertainties their own estimate of their ability to achieve program objectives via each alternative means analyzed.

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Streams of program benefits (outputs) and program costs are merely probability distribution points in time. If a decision maker knows the probability distributions (the risks involved), he can alter the values of these expected benefits and costs by their chance (probability) of actually occurring.

If the decision maker doesn't know the probability distribution of program benefits and costs over time, he is faced with uncertainty.

The thing the Support Offices can be doing in their Program Submissions is trying to relieve the DD/S of uncertainty in his resource allocation decisions by more clearly estimating the probabilities (risks) of achieving their program objectives--especially in top support priority programs vital to the Agency fulfilling its overall objectives. It is evident that if vital priority program objectives are not met (vital to the Agency's overall objectives), then, it really doesn't matter if low priority objectives are moving along fine. Therefore, what are the probabilities (risks) of achieving the priority objectives. If the risks are high under the present resource allocation to the program(s), then if these risks (probabilities) are known to the decision maker he can shift resources from lower priority objectives to the high priority objectives.

Conclusion L

The sense of coordination and joint planning that comes through in the Program Submissions is often one of, "I'll coordinate and jointly plan with Office X if I get something out of it to further my objectives." There is no sense of coordination and joint planning regarding the establishment of priority support program objectives to which certain Offices will have to shift its supply of scarce resources. The Office(s) that shows it has done the best analysis of alternative ways to achieve its priority support program objectives should be getting more of the scarce resources allocated to the DDS.

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There doesn't seem to be an identification of priority requirements levied on the DDS Offices by other Directorates. Each new requirement must be judged against existing requirements and other new requirements from other Offices. Only the best alternative use of resources can be allowed.

Somewhere in the coordination and joint planning process hard questions have to be asked. With a near fixed level of scarce resources something has to give. Old programs are decreased or terminated, alternative ways are found to continue needed old programs at less cost, new requirements are not accepted, new requirements are screened for best alternative way to achieve the objective, or new requirements are phased into a stream of support program priorities with adjustments made to lower priority programs.

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Conclusion M

Program evaluation is a process of assessment designed to provide information about past and present programs and the effectiveness of the program outputs, in order to assist a decision maker in making decisions about the future allocation of scarce resources. It would seem to be relevant to DDS management that program evaluation of programs requiring large resource allocations be required of the Support Offices. The credibility of the program evaluation would depend on the evaluator's competence and reputation for independent and "objective" appraisal. In the Office Submissions, there is an absence of evaluation of the effectiveness of program outputs with regard to priority objectives, alternative uses of resources, marginality of the program and costs to other Offices or other Directorates. The problem is more complex than the Support Offices engaging in petty empire building and maintenance.

Here is an outline of a rationale for program evaluation which some Support Offices might find useful in evaluating, at least, the programs consuming the "bigger" chunks of DDS's resources.

Outline:

A. What Decision or Decisions May Be Affected By The Evaluation?

1. An Evaluation to Affect Resource Allocation

- a. Go/No-Go (existing programs)
- b. Other Increase or Decrease of Resources due to careful marginal analysis. Provide guidance on where to cutback an inefficient or low priority program and where to expand a seemingly efficient higher priority program.

2. An Evaluation To Improve Strategy

- a. New alternative means of achieving program objectives.
- b. Refinement to existing means of achieving program objective or refinement of the program objective itself.

3. Compliance Control--monitoring input measures (e.g. adherence to guidelines, workloads, admin practices). This is what most Support Offices now give to DDS management as an evaluation of their programs. Centered on inputs not outputs. While good, it is not enough. ✓

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4. Capability Building--to facilitate or improve the conduct of future evaluations by building a data base.

B. How Might Possible Alternative Results of the Evaluation Affect the Decision?

C. Who Will Make the Decision?

1. Which decision maker

- a. O/DCI level
- b. DD level
- c. Office level
- d. Within Office
- e. Outside the Agency

2. Constraints on Decision---in assessing the likelihood that program evaluation results will affect a decision, it is essential for the Offices to consider what and who constrains a decision maker's latitude for action. One function of evaluation is to change constraint--give decision maker better information so he can defend or attack a specific program in terms of resource allocation.

a. President

- (1) NSC
- (2) OMB
- (3) Others in the intelligence community
- (4) Other agencies

b. Congress

c. Partisan politics

d. Administrative politics

e. Pressure groups

- (1) External
- (2) Internal

f. Other governments

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3. Other Information Channels Affect on the Decision

- a. Will other "grapevine" information affect the credibility of the evaluation.
- b. Is the other information source reasonably objective.
- c. Is the other source an advocate or adversary of the program being evaluated.
- d. Is the other source unimpeachable in the decision maker's eyes.

D. How Will the Availability of Evaluation Results Match the Decision Timetable?

1. When Will Decision be Made?

-- if evaluation to be worthwhile, the results of the evaluation must be in the hands of the decision maker when he is deciding.

- a. Major decision points
- b. Regular periodic decisions
- c. Incremental decision making

2. How Will the Evaluation Results Match this Decision Timetable?

- a. Interim findings
- b. Final results
- c. Salvage value of a too late evaluation

E. Will the Evaluation Results be Read and Understood?

1. Final Authority?

-- he should understand the conceptual basis for the evaluation and the general findings.

- 2. By those who, in effect, decide?
- 3. By those who advise and inform the decision maker?

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4. By external individuals or organizations?

a. Congress

b. OMB

F. Are The Evaluation Results Likely To Be Misinterpreted?

1. Proxy values

-- it is rarely possible to obtain direct measures of program outputs--
measures that coincide with stated program objectives--most
evaluation results are proxies or indirect measures.

2. Partial evaluation results

-- considering parts rather than the whole

3. Generalization

G. If An Evaluation-Based Decision is Made, Can It Be Implemented? What
Would Be Real Program Costs?

H. Why Do The Decision Makers Want The Evaluation Results?

1. "I Want To Find Out What The Program Has Done."

2. "I Want Some Ammunition With Which To Defend/Attack The Program."

I. Who Has the Managerial and Technical Competence To Do The Evaluation?

J. How Credible Is The Evaluation?

1. Credibility within the Executive Branch of Government

2. Credibility on the outside

K. How Does The Cost Of The Evaluation Compare With The Program Dollars
To Be Affected By The Decision?

If even close, the evaluation isn't worth the dollar cost.

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L. Evaluation Output: The Critical Program Summary

1. What is the program in question, and to what problems is it addressed?
2. What do we know about the program?
3. What do we think about the program?
4. What action do we recommend in regard to the program?
5. What additional knowledge would we like to have about the program?
6. What should be done to obtain this information?

An analysis of DDS programs on the order of the above outline for a rationale toward program evaluation cannot be found in the Support Offices' Program Submissions, nor is there any reference to such program evaluations done separate from the Program Submissions.

Conclusion N

In the Support Offices' Program Submissions, costs came across as the new dollars and new people it will take to initiate new programs and continue all the old programs. The new dollar and people figures were arrived at without rigorous analysis of existing and new objectives, new and existing alternative ways to achieve objectives, little or no real program evaluation, and no setting of priority programs in quest of overall Agency objectives.

What are costs? What are the costs I found absent in the Program Submissions?

A cost is a benefit lost. A cost is an unknown alternative use of scarce resources or an opportunity to use scarce resources to achieve a priority objective passed in favor of using scarce resources to achieve a non-priority or "marginally low" objective. Costs are not dollars or people. Dollars are attached to scarce resources as prices. The dollar price merely reflects the value of the benefits that could otherwise be produced with a given set of scarce resources. For example, the dollars it takes to achieve a low-priority objective in the Office of Logistics (or any other Office) costs the DDS and the Agency the benefits those dollars would buy toward achieving a high-priority objective (overall Agency objective) in the Office of Communications (or any Office in the DDS or other Directorate).

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Therefore, the ultimate meaning of cost is in estimating the value of alternative uses of scarce resources. There is no way to evaluate (analyze) alternative uses of resources unless someone will first identify alternative uses of resources given an estimate of the resources required.

Costs are incurred as marginal changes are made in programs. The Support Offices should use dollars, men and facilities in ways that give the greatest marginal increase in benefits.

Would the Support Offices:

- A. Review, refine, create and evaluate their objectives.
- B. With some element of coordination and joint planning establish and scrutinize priority support programs in aid of achieving overall Agency objectives.
- C. Rigorously evaluate their own programs to identify marginally low programs for decrease or termination.
- D. Present in their Program Submissions an exhaustive analysis of alternative means to achieve their objectives.

If the Support Offices could do the above, better, then the Support Directorate management could be better able to make decisions knowing more fully the resultant costs of those decisions. If the Support Directorate is able to minimize the costs of a certain level of output (by knowing the alternative uses of its resources, knowing its priorities, confident in the output of its existing priority programs, and knowing that low marginal programs have been decreased or terminated), then it inevitably follows that the Support Directorate is maximizing the level of output attainable for that given level of cost.

If the Support Directorate is to live with something near its present level of resources, more information should be presented to the Support Directorate management in the areas named in the conclusions of this critique. Costs are the consequences of decisions and only decisions have costs. The DD/S can't estimate the consequences, the costs, of any decision without knowing alternative ways of meeting priority support programs in aid of overall Agency objectives.

To get the information needed to make resource allocation decisions and to answer a Program Call like the Program Call FY 1973-1977, it will take some pain and effort on the part of the Support Offices.

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APPENDIX III

A Scenario: The Public Goods Market and the Agency

We assume that in this democracy the political apparatus is attuned and aware of the public's shifting demand for public goods. The political apparatus gets its signals from the public goods market place. The market system of choice for the production of public goods tells the political leadership something of the public's values. The value of a public good is the price that a fully informed consumer (public) is willing to pay for that public good in preference to all other public goods. It is the consumption the public is willing to forego in order to consume that particular public good. The message coming to the Agency regarding the public goods it produces (intelligence) is that the public's value (price the public is willing to pay) regarding intelligence is leveling off. The public's demand in the public goods market place is shifting, for the time being, to a higher value (greater price to be paid) on domestic public goods.

The public will demand an increase in the quality of the public good supplied (intelligence), but at a lower price in relation to domestic public goods.

As a result of the public's demand for more domestic public goods, the Agency will have to begin to identify its priority objectives, identify existing and alternative ways to achieve those objectives with a near fixed amount of scarce resources, begin to pare away at marginally low programs throughout all Directorates, and shift scarce resources to the best alternative means to achieve priority Agency objectives---the production of national intelligence---our produced public good.

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APPENDIX IV

Office of Medical Services

1. Professional Medical Services

(a) Objectives are stated as objectives for OMS as a whole. Since objectives remain the same as last year's objectives, there is a question as to whether OMS/PMS's objectives were thoroughly reviewed and evaluated. Specific objectives of existing programs are stated. Some new objectives as stated are tasks.

(b) No objectives are stated as fully met. Tasks have been met.

(c) The objectives are defined fairly well.

(d) No mention of programs that are marginally low and available for decrease or termination.

(e) No specific identification of priority objectives in relation to overall Agency priority program objectives. Many professionally interesting projects and tasks are highlighted, but which are vital to the Agency achieving its overall priority program objectives.

(f) No mention of failure.

(g) OMS/PMS discussion of method of approach centers on one project mainly, the Multiphasic Screening/Periodic Health Examination/Information Processing System. Also some discussion on OMS's proposed Behavioral and Social Science Studies. OMS/PMS shows some thought has taken place as to how to approach the achievement of certain program objectives through several different tasks or projects.

(h) OMS/PHS treatment of alternatives is rather shallow, but at least it is a treatment. Their alternatives discussion is a set-up leading to a selection of OMS/PHS's preconclusion. There is no presentation of a thorough analysis of all existing and new uses of any resources allocated to OMS/PHS, or whether priority programs in other areas require shifting of resources from OMS/PHS. PHS?

(i) Though an outline of risks and uncertainties has been made, it misses the mark. How risky is it to the DDS if OMS/PHS program objectives are not met? What are the risks (probabilities) of not knowing the impact of the dollars to be expended for computer base, designs, terminal facilities, records conversion in the MPS/PHE/IPS? What are the risks of far exceeding present dollar cost assumptions?

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(j) Program Evaluation of the type mentioned in Appendix II, Conclusion M, has not been undertaken. Workload data is reported as an evaluation. It is not enough.

(k) Program costs are not treated rigorously. OMS/PHS could make a better defense of its program resource requests with a thorough understanding of costs. Costs to the Agency in achieving its overall priority objectives can rest heavily on having or not having mentally and physically healthy employees. .

2. Operational Medical Support

(a) The objectives area is handled well, though no specific indication of a review and evaluation of existing objectives.

(b) No programs are specified as marginally low and subject to decrease or termination. OMS/OMS is operating on only a proposed [REDACTED] in FY 1973. 25X1A

(c) Priorities are fairly easy to cull from the Program Submission -- how vital are these priorities to the Agency achieving its overall objectives? Some estimate to DDS management would be worth putting in writing.

(d) No mention of failure.

(e) Operational Medical Support's method of approach is fairly clear. Helpful that they are dealing with only two objectives, field support and direct operational support.

(f) A pre-set program is discussed. There is no real presentation of alternative uses of resources.

(g) There is no discussion about risks and uncertainties regarding the achievement or non-achievement of Operational Medical Support's program objectives.

(h) There is no rigorous program evaluation of Operational Medical Support's program objectives. An exhaustive study would depend on the dollar costs of an evaluation in comparison to the program dollars involved [REDACTED] in FY 1973). An exhaustive program evaluation could cost more than the results of the study would be worth to DDS management. 25X1A

(i) Program costs were not rigorously examined.

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3. Management Support

(a) Specific objectives for the Management Support portion of the OMS Program Submission are named for existing programs. They are to improve professional medical development and to improve medical admin procedures through ADP. There is no direct indication of a thorough review and evaluation of the existing objectives. Which has priority?

(b) No new program objectives are mentioned.

(c) There is no identification of any program objective or portion thereof as fully met. No release of resources as a result of objectives ceasing to exist.

(d) There is some thought given to defining the two existing objectives of OMS/Management Support in terms of what the program is trying to accomplish and who is the group to benefit.

(e) No evidence of an attempt to pare away at marginally low tasks, projects, programs, etc.

(f) Since ADP as related to OMS seems to be a big priority for OMS/Management Support, why not state it as such? How would OMS's priority, systems wise, fit with the priority of all other Support Offices' systems requirements?

(g) No mention of any failure.

(h) OMS/Management Support has presented a fair presentation of a method of approach to achieving program objectives. Their method of approach is more strongly pictured in the professional development area.

(i) OMS/Management Support's Program Submission does not present a rigorous analysis of alternative uses of the resources requested. DDS management has been presented pre-set choices by OMS as to how resources are to be utilized. What alternatives are there to improving medical administrative procedures outside the use of ADP? What other benefits could the bundle of resources OMS/Management Support is requesting [REDACTED] FY 1973) purchase given other alternative means to achieve OMS/Management Support's program objectives?

(j) Since no risks were mentioned regarding the achievement or non-achievement of OMS/Management Support's program objectives, management is left in a state of uncertainty about OMS/Management Support's program objectives. How much damage will be done to the Agency's attempt to achieve its overall priority objectives if OMS/Management Support does or does not get the resources it requested?

Classical
+
Continuing
DDS
problem

a means
will an
objective

25X1A

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(k) OMS/Management Support's Program Submission does indicate areas where coordination and cooperation have taken place with other Support Offices and other Directorates. There seems to be no mention of coordination and joint planning in the area of Organizational Development using Behavioral and Social Science expertise. Professional bias makes OMS/Management Support put claim to this area where possibly OD programs should be encased at the DDS level.

(l) There is no program evaluation nor any real presentation of program costs in OMS/Management Support's Program Submission. Are OMS's programs effective in reference to the resources utilized via the alternatives used?

General Critique of the Support Offices'
Program Submissions in Answer to the
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OFFICE OF MEDICAL SERVICES